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# Some Human Aspects of Accounting

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SERIOUSLY, I do welcome this opportunity. It occurred to me that, as a variation, you might be more interested tonight in hearing a few words about certain human aspects of the accounting profession that do not readily appear in textbooks than to have me dwell on a more academic topic. I realize, of course, that not all of you may be considering the practice of public accounting as a profession; that many of you plan on corporate accounting careers. I believe, however, that my observations will apply with almost equal measure to both fields of accounting.

For our purpose tonight, let us take the perspective as it would appear to a recent college graduate who is embarking on his professional career with an accounting firm and follow him through his early years.

First, the young man becomes aware of a certain intangible—let's call it the "professional concept" of his job. He comes to realize the responsibility he bears, perhaps even on his first assignment, since in the eyes of any client he is just as much the representative of his employer as are his more experienced colleagues. His personal actions therefore must be governed accordingly. This professional concept also applies to the manner in which the young accountant handles information, whether confidential or not, obtained in the course of his work on a client's records. Some of this information might be available to only a few individuals within the client's organization—and certainly not to outsiders. Such "privileged communication," if you wish to call it that, must be restricted to its necessary use in the course of the audit examination and kept inviolate. It is only human nature for some young men to think, when reviewing a client's payroll records, that certain individuals may have been over-generously rewarded. Such personal opinion, however, is highly inappropriate as lunch table gossip. In another situation, the young accountant in a burst of helpful enthusiasm may feel prompted to remark to a representative of the client, "Your accounting procedure for handling payables is certainly poor! It's not nearly as good as the method used by our client the X Co." The embarrassing consequences of such remarks

are obvious. The young man learns, of course, that suggestions for improvement in accounting procedures and internal control are an important service in any auditing engagement. Those recommendations, however, are conveyed to the client in a decidedly different manner and at a higher level.

Another aspect of his job that soon becomes apparent to the young accountant relates to people. He becomes aware of the great importance of being able to get along with the tremendous number of varied personalities he encounters over the course of successive audit engagements. Over the period of even a year this exposure is substantial. This ability for human relationship is vitally important since it has a large bearing on the successful accomplishment of his work and on his future advancement. In certain situations, the young accountant is faced with a real problem in successfully obtaining the respect and confidence of the client's employees with whom he must work. The employees who usually create the greater difficulty in this regard are those at the lower levels of responsibility in the client's organization. They would be persons who, unfortunately, are not fully aware of the objectives of the independent accountant and look on him as an entirely unnecessary inconvenience. Fortunately, this feeling is not nearly as prevalent today as it used to be owing to the greater employment in industry of persons with higher educational and accounting backgrounds. There are still a few unreconstructed old-line bookkeepers in smaller organizations who almost openly say, "Here come the gum-shoe experts to keep score on all the mistakes we've made during the past year!" It's the difficult task of the new accountant to cope successfully with such an attitude and to attempt to show that the auditors' purpose, among others, is to see how that man's duties might be made easier and more effective. Until such conversion and education can be made, you can see the difficulties that face the accountant in obtaining the employee's cooperation in the accomplishment of his job. It is perhaps inescapable that this problem of dealing with personalities falls with the greatest impact upon the younger accountants who have had less experience or preparation in this area than have the older men on the staff. By the time they have acquired the experience in dealing with such difficulties, it is seldom needed in their contacts with the client's employees in more responsible positions. These men are quite aware of the responsibilities and objectives of the outside auditor.

Another important aspect the young accountant encounters in

dealing with people, particularly those at higher levels of management, relates to his interest in and knowledge of topics other than accounting. Any informal conversation with a client's top official is apt to become rather dry and stilted if it is always restricted entirely to technical accounting topics. This is especially so when the client's representative may be less fully informed on the particular topic than the accountant.

Any two humans are more sympathetically drawn to each other when a "community of interest" is established between them. It is important therefore for a young accountant to learn all he can about the client's particular industry or business, its general nature and special problems, etc., not only as an aid in his own work but as a means of furthering this "community of interest." He should also recognize the client's representative as an individual personality with the normal interest of an educated person, which covers a wide range. Even the mention of golf, baseball or fishing is sometimes good for a twenty-minute conversation.

A discussion of exactly what components are required to make an accountant an educated person—in the broadest sense—would lead us into a controversial area. My own personal conviction—based on experience and observation—is that a young accountant *must* be sufficiently exposed to some liberal arts subjects during his college education in order that he will develop into a rounded person with the potential ability for advancement to the higher levels of his profession. The degree of exposure and the availability of time is the problem. In the medical and legal professions, the technical knowledge of the student is obtained almost entirely at the graduate level. Such graduate work is consequently built upon an educational background that has generally included a greater concentration of liberal arts subjects than is possible for the young man majoring in accounting in a business college. It is obvious that with only so many classroom hours available, the colleges of business administration face a real dilemma in providing ample time for sound instruction in accounting and financial subjects and still provide sufficient leeway in a major's program for attention to certain liberal arts courses. This problem is not diminished by the requirements of certain State boards of accountancy. In some States a college graduate in accounting will not be considered educationally qualified to be a candidate for the CPA exams of that State, unless the accounting curriculum of his university was considered sufficiently broad in coverage and was so approved. One of the

solutions being considered is to require some graduate work—not more than a year—on the part of those entering the public accounting profession. The concentration of technical subjects in this post graduate period would then allow for greater emphasis on liberal arts subjects than is now possible during the undergraduate years.

From the start of his career the new accountant is confronted with another important human aspect of his profession—and that is traveling. It is inescapable since the largest portion of his work will be performed where the client's financial records are located or where the production facilities are situated. Traveling and public accounting are frequently synonymous in the mind of the undergraduate—and such association is unfortunately often exaggerated. The traveling is a matter of degree, both as to time and distance, and varies, of course, with the extent of the area served by the accountant's practice office. For some this is never any real problem—particularly in earlier years or during bachelorhood. In fact, it has its attractions. For the young married accountant, however, the aspect of travel is less attractive, but a necessary factor which he appreciates is inherent in his chosen work. It is obviously important that he indoctrinate his wife in this respect as to this requirement and the accompanying responsibilities of his job. In time, this constant change of scene becomes so natural that any prolonged activity within the confines of the same client's office or location tends to become somewhat dull.

When a young man first enters the accounting profession he becomes aware of the significance of another aspect of his future work—that public accounting depends heavily on *teamwork* and *esprit de corps*. The new man soon realizes, either through a separate course of orientation, or by on-the-job training, that he has joined a team. He learns about the organization, its history, personnel policies, standards of performance and what is expected from him. He learns about the firm's style and special requirements in matters such as preparation of auditing working papers—also the proper approach to an auditing engagement. He learns the important responsibilities attaching to each individual on the team during the course of any audit engagement. Unfortunately, there are a few young men who describe their first year in public accounting to their contemporaries in other fields about as follows: "Oh, it's fine if you like being an adding machine jockey." Medical internes usually have much more colorful phrases to describe their first year of internship. Such observation by the junior accountant is quite human, however, since many of the auditing

tasks that fall initially within his limited range of experience are less than exhilarating, particularly on a warm spring afternoon. It is vital, however, for the young accountant to understand fully how his task, seemingly unimportant to him, is equally important as those auditing functions being performed by others on his team who have had longer experience, and that all of the various parts of the engagements, no matter how assigned, contribute to the successful performance of the whole. This "adding machine jockey" concept therefore is usually dispelled at an early date.

And now we come to one of the most important human aspects in the profession of accountancy—that is, the problem of *communication*, both oral and written. Adequate self-expression in writing is one of the most difficult facilities the young accountant must master in order for his work to be completely effective. It is indeed unfortunate when a young man, thoroughly trained in accounting, may have completed an assignment perfectly in all technical respects but is completely unable to set forth a clear statement as to his conclusions or exceptions taken. If such statement or written memorandum as he does prepare is ambiguous, unorganized, incomplete, or misleading, the effectiveness of his work is largely canceled. Additionally, the work of his immediate supervisor is made more difficult. And more importantly, this confusion can be compounded at successive levels so that the man responsible for the engagement may not have a clear picture of what actually was done or what conclusions were reached. If such erroneous conclusions were, in turn, conveyed to the client, the resulting professional embarrassment is obvious.

It is not expected, of course, that the young accountant will initially have the ability demanded at higher levels with respect to written material submitted directly to the client, such as reports. In this difficult area good report writers are truly made, not born. The young man can take some comfort, however, in the thought that almost anyone with sufficient mental equipment to master the technical phrases of his profession can learn, with a little practice and thoughtful effort, to write effectively. This is best mastered in two ways: by reading what others have written and by writing himself, keeping the viewpoint of the reader constantly in mind. For those of you who wish some excellent advice on this subject of writing I would recommend an article that appeared in the July 1956 issue of *The Journal of Accountancy*. It is entitled "The Problem of Communication" and was written by Maurice E. Peloubet, an accounting practitioner of many

years' experience, who has written extensively on accounting matters.

I would not be presumptuous enough to suggest what your professors could do to cultivate your ability to write effectively since, as I have previously remarked this evening, their time is severely limited for any intensive effort in this field. I wish to emphasize again, however, the importance of the written communication in the accounting profession.

Let me close with one final aspect of the new accountant's career. The young man in the profession comes to realize the professional quality of *judgment* that surely develops and matures. He comes to learn that each time he enters a client's office the problems he faces will not be just like those he faced last time. One day's work is not yesterday's repeated. Each day's problems are solved from his growing fund of ability, experience, and knowledge of accounting principles. Finally, there comes a certain *pride of achievement*—what someone has aptly described as "the conscious conscience of the artisan" and the satisfaction of having performed a useful service to others.